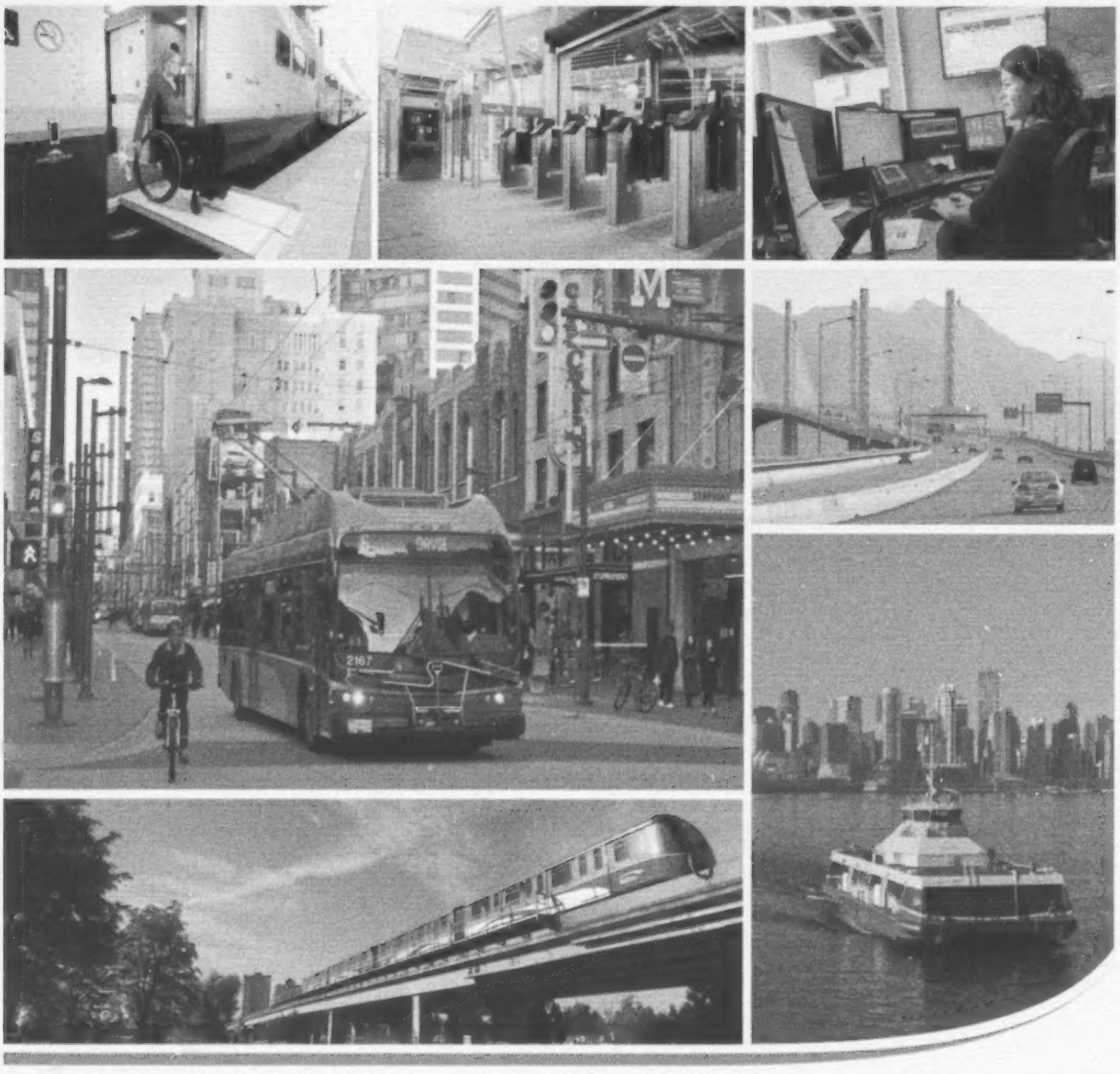
2014 FINANCIAL AND PERFORMANCE REPORT as at JUNE 30, 2014



TRANSLINK

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Caution Regarding Forward-Looking Statements

From time to time, TransLink makes written and/or oral forward looking statements, including in this document, and in other communications. In addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

1. *Financial and Performance Summary*

The first half of 2014 resulted in a $26.1 million surplus, $46.6 million better than budget.

Key factors resulting in better than budget financial results include:

- Fuel tax revenue higher due to stronger diesel sales, $6.5 million;
- Sale of surplus property, $6.5 million;
- Timing of Major Road Network contributions to municipalities, $12 million;
- Timing of Compass Card implementation, 10.9 million;
- Amortization and Interest, $6.5 million;
- Other, continued focus on sustaining cost savings and efficiencies across the organization and timing of expenditures, $4.2 million;

Operating indicators are tracking favourably for scheduled transit service with the exception of complaints. However, complaints are showing an improvement over the 2014 first quarter results and are lower than 2013 actuals for the same time period.

The forecast for the year is an $8.9 million deficit which will be $43.0 million better than budget.

Strategic Focus

TransLink aligns the organization around five strategic goals. These goals focus on critical success factors that lead to a better place to live built on transportation excellence: **customer**, **financial**, **stakeholder**, **people**, and **internal effectiveness**. Throughout the first half of the year, TransLink commenced, advanced, or completed many of the action plans that meet the organizations strategic objectives. The 2014 strategic goals, objectives and second quarter highlights are listed below:

1. Customer Goal

Objective: ***Meet our customers' expectations in the implementation of Compass Card and infrastructure upgrades***

There are currently 85,000 Compass Cards in circulation that have generated almost 30 million taps. Early card users, including: Government BC Bus Pass customers, CNIB clients, and employees of TransLink and its' subsidiaries have reported favourably regarding satisfaction and convenience. Technical issues with the Compass Card system are taking longer to resolve than we anticipated. Specifically, the transaction speed and reliability of the mobile validators on buses still do not meet our service standards and we are unwilling to start the next phase of our rollout until those standards are met. TransLink continues to promote and educate customers on Compass through stakeholder outreach and education, building awareness through face to face meetings and electronic updates. The Ask Compass website (askCompass.ca) is proving to be a valuable tool for educating the public. Since its' launch, over 600 questions have been asked and answered.

TransLink also continues to invest in significant upgrades to improve customer convenience and maintain TransLink's existing infrastructure. As part of this effort, upgrades at Scott Road SkyTrain Station were completed in the second quarter. This project has resulted in improved connections between bus and rail service, enhanced accessibility and repair of damaged areas. During the construction phase, customers were kept informed of system changes through various detailed communication plans to mitigate the impacts of the work on TransLink's customers.

The Main Street Station upgrade project is underway, with the East Stationhouse completed in May. The new East Stationhouse includes a secure bicycle parking facility, which is now in service. This addition allows for integration with active transit modes as well as improved customer movement, capacity and accessibility at Main Street. Upgrades to the 30 year old West Stationhouse at Main Street – Science World station are now underway. Once complete, transit users will be able to get between the station and Science World/False Creek in a more convenient manner. In order to continue to provide customer service at Main Street during the station renovation, TransLink is providing a Train2Main service that allows local connections to be made in the midst of construction.

Detailed design activities continue on capacity and accessibility upgrades at Broadway-Commercial, Metrotown, New Westminster, Joyce and Surrey Central stations. The Broadway-Commercial and Metrotown stations have taken longer than anticipated due to complexities of these projects. The

SkyTrain station upgrades will better serve TransLink's customers and the surrounding communities through improved access and enhanced security.

To inform customers regarding system changes for all these projects and for other work on the system (e.g., power rail replacement, rail clip replacement and other customer impacting work), TransLink has prepared and delivered detailed communications plans to mitigate the impacts of the work on our customers. TransLink regularly provides customer service updates through media such as the OnTrack website, TransLink's twitter account (@translink), Public Address announcements, station information displays, TransLink's website, the Buzzer, the on-line Buzzer Blog (buzzer.translink.ca), and other media.

2. Financial Goal

Objective: ***Manage within our financial framework***

TransLink's financial framework includes managing within the cumulative reserve policy as well as maintaining a strong credit rating. To achieve these objectives, TransLink management meets quarterly to review the capital cashflow variances against set targets and focuses on getting to the root causes.

A significant milestone was achieved in the second quarter with the launch of an enterprise wide financial planning platform that is designed to improve the speed, accuracy and transparency of the budgeting process and improved forecasting.

Translink continues to explore revenue opportunities. TransLink is generating additional revenue through the Adjacent and Integrated Developments (AID) Program, which supports developers and municipalities in creating transit-oriented communities proximate to TransLink's infrastructure. The resulting real estate development projects enable TransLink to realize revenues and benefit from infrastructure upgrades by partnering with private industry. Currently, there are over 30 AID projects underway and over 10 more planned.

3. Stakeholder Goal

Objective: ***Increase stakeholder and public confidence in TransLink's ability to efficiently plan, deliver and manage the regional transportation system***

Through the second quarter of 2014, TransLink continued to provide financial, technical, and planning expertise to support the work of the Mayors' Council in developing a long-term vision for regional transportation for Metro Vancouver. On June 12, 2014, the Mayors' Council approved Regional Transportation Investments: A Vision for Metro Vancouver.

Support for the Vision has continued to build since its approval. Numerous expressions of support for the Vision from various stakeholders across the region have been compiled and are posted on the website, www.movinginalivableregion.ca.

Since approval of the Vision, TransLink staff has continued to support the Mayors' Council and the Province of BC in pursuing next steps, including discussions regarding a proposed referendum and eventual development of a 10- Year Investment Plan.

4. People Goal

Objective: ***Actively engage employees to plan, build and operate a sustainable transportation network***

TransLink continues to focus on employee and leadership development programs designed to ensure employees have the skills required to operate a sustainable transportation network. During the second quarter, TransLink continued a staged process to conduct an enterprise-wide distribution of the employee engagement survey. A detailed review of the results for completed survey groups is underway.

To strengthen employee engagement and to build a high performance work environment, management has co-ordinated in-house training programs designed to enable employees to further develop required skills.

5. Internal effectiveness Goal

Objective: ***Improve efficiency and utilization of our resources***

TransLink engaged in an extensive outreach for recommendations and strategies to develop an improved custom transit service delivery model. We received feedback from 53 stakeholders from various interest groups including; health regions, day programs, municipal interest groups and disability advocacy organizations. Stakeholder engagement sessions included 2 interactive workshops held in Coquitlam and Vancouver in May, bi-monthly consultations with the Access Transit user advisory committee, and one on one outreach to special interest groups. From this, recommendations included the expanded use of taxis to provide more rides for customers with disabilities, which aligns with TransLink's commitment in Q2 to commit $1 million of 2013 surplus funds into additional taxi trips and taxi driver training to support the Access Transit service. Use of taxis will provide more flexibility in scheduling and a reduction in the number of trip denials (an estimated 30,000 more trips will be available). The efficiency of taxis delivering this service is evident in the marked decrease in the number of denied trips by nearly 21 per cent year-to-date compared to 2013. Implementation plans for other recommended strategies will continue to be developed through additional focus group work in the community.

Work has begun to leverage Compass data by integrating it with other available information e.g. scheduling, vehicles, weather, etc. The resulting dataset will support decision-making for everything from policy decisions to resource utilization. It is expected that analysis of Compass data as well as other data sources will transform the way business decisions are made within TransLink.

In the month of July two unprecedented outages occurred on the SkyTrain. An internal review was immediately launched to look at the chronological chain of events as well as an external review to look at ways to strengthen our business resiliency.

2. Financial and Operating Summary with Update on Efficiencies

Financial Results & Indicators

FINANCIAL RESULTS As at June 30, 2014 ($ thousands)	YTD 2013 ACTUAL	YTD 2014 ACTUAL	Year-over-Year Change	Year-over-Year %	YTD 2014 BUDGET	Budget Variance Fav/ (Unfav)	Budget Variance %	Annual 2014 BUDGET
Revenues	702,954	727,961	25,007	3.6%	719,474	8,487	1.2%	1,454,649
Expenses	692,117	701,819	9,702	1.4%	739,932	38,113	5.2%	1,506,547
Excess of revenue & expenses before funding adjustments	10,837	26,142	15,305	141.2%	(20,458)	46,600	227.8%	(51,898)

Excess of revenues over expenses to the end of June was $26.1 million, $15.3 million better than the same period in 2013 and $46.6 million better than budget.

Year-to-date revenues were $25.0 million (3.6 per cent) higher than last year largely due to increased fuel tax, property tax, as well as a gain on sale of surplus properties. Compared to budget, revenues are $8.5 million (1.2 per cent) favourable which was driven by higher fuel tax, higher parking rights tax, gain on surplus property, offset slightly by lower transit revenues.

Expenses were $9.7 million (1.4 per cent) higher than last year mainly due to economic and contractual increases and higher costs related to Compass implementation, offset by lower amortization costs of capital assets and lower lease costs. Compared to budget, expenses were $38.1 million (5.2 per cent) favourable. A large portion of this amount relates to timing of contributions to municipalities for the road network, as well as reduced costs due to the timing of Compass Card implementation. The balance of the favourable variance is from lower amortization and interest costs.

FINANCIAL INDICATORS ($ thousands)	31-Dec 2013 ACTUAL	30-Jun 2014 ACTUAL	Change	%	YTD 2014 BUDGET	Budget Variance Fav/ (Unfav)	Budget Variance %	31-Dec 2014 BUDGET
Cumulative Funded Surplus [1]	342,700	364,899	22,199	6.5%	330,684	34,215	10.3%	301,544
Capital Assets [2]	4,451,189	4,454,270	3,081	0.1%	-	-	-	4,843,806
Net debt [3]	1,913,232	1,901,374	(11,858)	(0.6%)	-	-	-	2,197,641
Deferred concessionaire credits and GEB contractor liability [4]	1,664,001	1,658,502	(5,499)	(0.3%)	-	-	-	1,646,916
Total net debt [5]	3,577,233	3,559,876	(17,357)	(0.5%)	-	-	-	3,844,557
Gross interest cost as a % of operating revenue [6]	13.5%	13.4%	(0.1%)	(0.7%)	-	-	-	14.4%

[1] The funded surplus as calculated under the SCBCTA Act represents the amount of resources available to fund future operations.

[2] 2013 figure restated for BCRTC capital spares

[3] Includes bonds, debentures, capital leases, short-term debt net of sinking funds and debt reserve deposits

[4] Includes deferred concessionaire credits and GEB contractor liability.

[5] Net debt + deferred concessionaire credits and GEB contractor liability.

[6] Operating revenue includes fares, taxation, and GEB toll revenue

The Cumulative Funded Surplus has increased $22.2 million and Capital Assets have grown by $3.1 million in the first half of the year.

Total net debt has been reduced by $17.4 million (0.5 per cent).

Operating Indicators

OPERATING INDICATORS As at June 30, 2014	YTD 2013 ACTUAL	YTD 2014 ACTUAL	Year-over-Year Change	Year-over-Year %	YTD 2014 BUDGET	Budget Variance Fav/ (Unfav)	Budget Variance %	Annual 2014 BUDGET
Scheduled Transit Service								
Overall Performance Rating (out of 10)	7.7	7.6	(0.1)	(1.3%)	7.7	(0.1)	(1.3%)	7.6
Service hours (000's)	3,089	3,110	21	0.7%	3,095	15	0.5%	6,248
Operating cost recovery	54.8%	53.6%	(1.2%)	(2.2%)	53.5%	0.1%	0.2%	54.0%
Operating cost per service hour	$ 143.23	$ 146.46	$ 3.23	2.3%	$ 151.86	$ 5.40	3.6%	$ 152.98
Complaints per 1 million boarded passengers	88.3	80.6	(7.7)	(8.7%)	75.9	(4.7)	(6.2%)	76.6
Operating cost per capacity kilometre	$ 0.084	$ 0.087	$ 0.003	3.6%	$ 0.091	$ 0.004	4.4%	$ 0.092
Access Transit Service								
Number of trips *	608,536	581,140	(27,396)	(4.5%)	n/a	n/a	n/a	n/a
Operating cost per trip *	$ 38.96	$ 40.19	$ 1.23	3.2%	n/a	n/a	n/a	n/a
Number of trips denied **	20,804	16,518	(4,286)	(20.6%)	19,416	2,898	14.9%	37,638
Complaints per 1 million boarded passengers	913.8	1,054.2	140.4	15.4%	752.9	(301.3)	(40.0%)	757.3
Golden Ears Bridge								
Crossings (000's)	5,367	5,631	264	4.9%	5,501	130	2.4%	11,500
Average toll per crossing	$ 3.48	$ 3.59	$ 0.11	3.2%	$ 3.43	$ 0.16	4.7%	$ 3.45

* This is a new measure to reflect a change in service delivery and targets were not set during the budget process

** A new measure to reflect the number of denied trips

Scheduled Transit Service (Conventional)

Year-to-date service hours are slightly higher year over year, reflecting one additional weekday service day in 2014.

Operating cost recovery is slightly lower year over year, but has improved since the end of March and is on budget with transit fare revenue growing slower than operating costs.

Operating cost per service hour is higher year over year due to increases in labour, fuel and maintenance repair costs. The favourable variance to budget is the result of savings realized from vacant positions, lower costs due to the delay in Compass implementation and the timing of some expenses moving to later in the year.

Complaints per million boarding's were down over last year and have improved further since March of this year; service related complaints were up slightly, whereas operator related complaints were down.

Access Transit

Number of trips, operating cost per trip and number of trips denied are new performance indicators to better reflect the Access Transit service. Following the success of a 2013 Taxi Pilot Project conducted in the first half of 2013, TransLink announced in May 2014 it has committed $1 million to provide additional taxi rides for Access Transit customers. This funding will help improve the number of trips delivered and reduce the cost per trip. Some of this additional funding will support safety and service training and other initiatives to ensure customers experience the same level of service regardless of the type of vehicle they're travelling in. It is estimated that this program will be able to provide an additional 30,000 trips by taxi and will also reduce the number of taxi related complaints that have to-date been higher than for the traditional HandyDART service.

TransLink is also reviewing its trip cancellation policy. The additional taxi trips and closer monitoring of trip cancellations will enable the Access Transit service to help more people with disabilities get where they need to go and significantly reduce trip denials.

3. Consolidated Statement of Operations Analysis

Consolidated Revenues

CONSOLIDATED REVENUES As at June 30, 2014 ($ thousands)	YTD 2013 ACTUAL	YTD 2014 ACTUAL	YTD Year-over-Year Change	YTD Year-over-Year %	YTD 2014 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual 2014 FORECAST	Annual 2014 BUDGET	Annual Forecast Variance Fav/ (Unfav)	Annual Forecast Variance %
Taxation	361,031	375,711	14,681	4.1%	367,983	7,728	2.1%	745,529	736,396	9,132	1.2%
Transit	242,163	242,922	760	0.3%	252,353	(9,431)	(3.7%)	501,756	518,001	(16,245)	(3.1%)
Transfers from Government	41,376	44,046	2,671	6.5%	43,808	238	0.5%	90,164	88,147	2,017	2.3%
Golden Ears Bridge tolls	18,656	20,198	1,542	8.3%	18,873	1,325	7.0%	41,500	39,648	1,852	4.7%
Interest Income	16,343	17,105	762	4.7%	17,060	45	0.3%	33,922	34,231	(309)	(0.9%)
Amortization of Deferred Concessionaire Credit	11,541	11,541	0	0.0%	11,541	0	0.0%	23,337	23,337	0	0.0%
Emissions Testing	10,286	7,815	(2,471)	(24.0%)	6,840	975	14.3%	12,486	12,846	(360)	(2.8%)
Miscellaneous	1,756	1,985	229	13.0%	1,016	969	95.3%	3,301	2,043	1,259	61.6%
Revenue Before Gain/(Loss) on Disposals	703,151	721,324	18,173	2.6%	719,474	1,849	0.3%	1,451,995	1,454,649	(2,654)	(0.2%)
Gain on Disposal	(197)	6,638	6,834	3475.7%	-	6,638	0.0%	6,638	-	6,638	0.0%
PSAB Total	**702,954**	**727,961**	**25,007**	**3.6%**	**719,474**	**8,487**	**1.2%**	**1,458,633**	**1,454,649**	**3,983**	**0.3%**
Funding Adjustments:											
Transfers from Governments	(31,645)	(34,402)	(2,757)	(8.7%)	(34,240)	(162)	(0.5%)	(70,629)	(68,847)	(1,782)	(2.5%)
Interest Income	(14,222)	(14,922)	(700)	(4.9%)	(15,054)	132	0.9%	(29,502)	(30,108)	606	2.1%
Amortization of deferred Concessionaire Credit	(11,541)	(11,541)	-	0.0%	(11,541)	-	0.0%	(23,337)	(23,337)	0	0.0%
Emissions Testing	(10,286)	(7,815)	2,471	24.0%	(6,840)	(975)	(14.3%)	(12,486)	(12,846)	360	2.9%
Funded Total	635,261	659,282	24,022	3.8%	651,800	7,483	1.1%	1,322,678	1,319,511	3,168	0.2%

Overview

Year to date revenues were $25.0 million (3.6 per cent) higher year over year, mainly due to increased fuel tax, property tax revenue, as well as a gain on sale of surplus property. Compared to budget, revenues were $8.5 million (1.2 per cent) favourable. The favourable variance is a result of higher than expected fuel tax revenue and a gain on sale of property which had been expected to occur in 2013. These were partially offset by lower transit revenues.

Taxation

TAXATION REVENUES As at June 30, 2014 ($ thousands)	YTD 2013 ACTUAL	YTD 2014 ACTUAL	YTD Year-over-Year Change	YTD Year-over-Year %	YTD 2014 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual 2014 FORECAST	Annual 2014 BUDGET	Annual Forecast Variance Fav/ (Unfav)	Annual Forecast Variance %
Fuel	167,307	175,389	8,082	4.8%	168,881	6,508	3.9%	344,270	337,761	6,508	1.9%
Property & Replacement	157,043	161,473	4,430	2.8%	161,473	0	0.0%	322,946	322,946	0	0.0%
Parking Rights	27,289	29,175	1,887	6.9%	27,930	1,245	4.5%	58,669	56,019	2,650	4.7%
Hydro Levy	9,393	9,674	281	3.0%	9,700	(26)	(0.3%)	19,644	19,670	(26)	(0.1%)
Total Taxation	361,031	375,711	14,681	4.1%	367,983	7,728	2.1%	745,529	736,396	9,132	1.2%

As permitted by the *South Coast British Columbia Transportation Authority (SCBCTA) Act*, TransLink raises funds by means of taxation.

Year over Year

Fuel tax revenues increased by $8.1 million (4.8 per cent) over 2013.Total net volumes reported by the Consumer Taxation Branch (CTB). in TransLink's region, for the first five months increased by 3.1 per cent compared to the same period in 2013. The increase is largely attributable to high diesel sales within TransLink's region. Gasoline sales as reported by CTB show a year-over-year decrease of 1.6 per cent, while external retail sales sources show a slight increase of 0.5 per cent over 2013. Adjustments can be processed through CTB for up to 48 months.

Parking rights tax year to date increased by $1.9 million (6.9 per cent) over 2013 as a result of an increase in the net amount remitted by parking vendors.

Property and replacement tax revenue increased by $4.4 million (2.8 per cent) over 2013, which is in line with the legislated allowable increase.

Actual vs. Budget and Forecast

Taxation revenues year-to-date was $7.7 million (2.1 per cent) higher than the budget and forecasted to be $9.1 million higher than budget at the year-end which is attributable to fuel and parking tax.

Fuel tax revenues were $6.5 million (3.9 per cent) higher than budget for the first half of the year, this favourable variance is attributed to higher than expected diesel sales. Due to the nature of the tax collection process and its volatility, the remainder of the year is forecasted to be consistent with the budget.

Parking rights tax revenues, as a result of increases in the value of remittances, were $1.2 million (4.5 per cent) higher than budget. The 2014 forecast for parking rights tax is forecast to be $2.7 million (4.7 per cent) above budget, continuing the positive year over year growth that has been experienced year to date.

Transit Revenues

TRANSIT REVENUES As at June 30, 2014 ($ thousands)	YTD 2013 ACTUAL	YTD 2014 ACTUAL	YTD Year-over-Year Change	YTD Year-over-Year %	YTD 2014 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual 2014 FORECAST	Annual 2014 BUDGET	Annual Forecast Variance Fav/ (Unfav)	Annual Forecast Variance %
Farebox	52,442	52,482	40	0.1%	33,255	19,227	57.8%	115,177	72,352	42,825	59.2%
Prepaid Fares	137,859	133,660	(4,199)	(3.0%)	160,979	(27,320)	(17.0%)	267,458	326,010	(58,551)	(18.0%)
Prepaid Contract	44,911	49,135	4,224	9.4%	50,788	(1,653)	(3.3%)	103,473	104,795	(1,322)	(1.3%)
Total Fares	235,212	235,277	65	0.0%	245,023	(9,746)	(4.0%)	486,109	503,157	(17,048)	(3.4%)
Other	6,951	6,792	(159)	(2.3%)	6,529	263	4.0%	13,916	13,241	674	5.1%
Park and Ride	-	853	853	0.0%	802	52	6.4%	1,732	1,604	128	8.0%
Total Transit	**242,163**	**242,922**	**759**	**0.3%**	**252,353**	**(9,431)**	**(3.7%)**	**501,756**	**518,001**	**(16,245)**	**(3.1%)**

Year over Year

Transit revenues, consisting of all transit fares and related revenues, such as transit advertising and fare infraction revenues, increased by $0.8 million (0.3 per cent) when compared to the first half of 2013. Prepaid Fares was $4.2 million (3.0 per cent) below the same period in 2013 due to lower ridership. The decline in Prepaid Fares was offset by a positive revenue increase in Prepaid Contracts of $4.2 million (9.4 per cent). This positive variance is attributed to the mid-year U-Pass rate increase.

Preliminary ridership estimates indicate that ridership has decreased 1.3 per cent from 2013 but has increased in the last two months. An initial review of ridership suggests that possible contributing factors to the decline include the 2013 fare increase, the discontinuation of the Employee Pass program, limited new service, and the significant road improvements made in the region. Further work is underway to determine the extent to which each may be a contributing factor.

Actual vs. Budget and Forecast

Transit fares were below budget by $9.7 million (4.0 per cent). Total annual transit fare revenue is forecast to be $17.0 million (3.4 per cent) below budget. This is due in part to actual ridership being lower than budgeted. The 2014 budget was developed with preliminary 2013 ridership numbers and actual 2013 ridership numbers were lower than what had been assumed in the budget. As well as the delayed Compass implementation; revenues expected to be recaptured with the introduction of fare gates are no longer expected to be recovered this year.

Golden Ears Bridge Tolls

Year over Year

Year-to-date toll revenues were $1.5 million (8.3 per cent) higher than the same period in 2013. Total vehicle crossings for the first six months of 2014 were approximately 4.9 per cent higher than the same period last year.

Actual vs. Budget and Forecast

Year-to-date toll revenues were $1.3 million (7.0 per cent) above budget as actual vehicle crossings were slightly higher than expected and average toll rates were higher. The end of the Port Mann Bridge discounted rates and lower migration rate to the Port Mann Bridge decal have resulted in a higher average toll rate for the year.

The remaining year toll revenue forecast has been adjusted up to reflect the higher average toll rate and the full year forecast is expected to be $1.9 million (4.7 per cent) above budget by the end of the year.

Interest Income

Year over Year

Interest income was $0.8 million (4.7 per cent) higher year-over year due to higher sinking fund investment balances.

Actual vs. Budget and Forecast

Interest income year-to-date is very close to budget, $45 thousand (0.3 per cent) higher. At year-end interest income is expected to be slightly under budget due to repayment of MFA debt earlier than planned resulting in less interest earned on MFA sinking funds. The MFA debt was paid back earlier using part of the proceeds from TransLink issued bonds which take advantage of better matching of the amortization periods and lower interest rates.

Funding Adjustments

Funding adjustments are the changes required to the income statement to calculate the cumulative funded surplus under the SCBCTA Act. The cumulative funded surplus is defined as the amount of resources available to fund future operations.

Expenses by Segment

CONSOLIDATED EXPENSES BY SEGMENT As at June 30, 2014 ($ thousands)	YTD 2013 ACTUAL RESTATED	YTD 2014 ACTUAL	YTD Year-over-Year Change	YTD Year-over-Year %	YTD 2014 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual 2014 FORECAST	Annual 2014 BUDGET	Annual Forecast Variance Fav/ (Unfav)	Annual Forecast Variance %
AirCare	8,035	7,931	(104)	(1.3%)	8,140	209	2.6%	16,648	16,859	211	1.3%
Bus Division	307,182	315,766	8,584	2.8%	317,077	1,311	0.4%	636,631	641,132	4,501	0.7%
Corporate	33,786	31,234	(2,552)	(7.6%)	44,671	13,437	30.1%	86,734	101,347	14,614	14.4%
Rail Division	119,004	125,208	6,204	5.2%	126,266	1,058	0.8%	253,231	256,298	3,067	1.2%
Roads & Bridges	38,372	39,928	1,556	4.1%	55,028	15,100	27.4%	110,109	110,285	176	0.2%
Transit Police	13,793	15,486	1,693	12.3%	15,960	474	3.0%	31,805	32,181	376	1.2%
Amortization of Capital Assets*	84,124	79,241	(4,883)	(5.8%)	82,548	3,307	4.0%	161,450	165,830	4,380	2.6%
Interest*	87,822	87,026	(796)	(0.9%)	90,242	3,216	3.6%	170,909	182,614	11,706	6.4%
PSAB Total	**692,117**	**701,819**	**9,702**	**1.4%**	**739,932**	**38,113**	**5.2%**	**1,467,518**	**1,506,547**	**39,029**	**2.6%**
Funding Adjustments:											
AirCare	(8,035)	(7,931)	104	1.3%	(8,140)	(209)	(2.6%)	(16,648)	(16,859)	(211)	(1.3%)
Corporate	(36)	(96)	(61)	(171.6%)	(51)	46	90.5%	(264)	(101)	163	161.5%
Roads & Bridges	(18,459)	(20,666)	(2,207)	(12.0%)	(32,629)	(11,962)	(36.7%)	(69,119)	(64,603)	4,516	7.0%
Amortization of Capital Assets	(79,814)	(75,813)	4,001	5.0%	(76,425)	(612)	(0.8%)	(154,306)	(152,848)	1,458	1.0%
Interest	(33,456)	(33,679)	(223)	(0.7%)	(34,026)	(347)	(1.0%)	(67,611)	(68,258)	(647)	(0.9%)
Debt Repayment	46,872	45,158	(1,714)	(3.7%)	47,138	1,980	4.2%	88,335	94,871	6,536	6.9%
GEB Capital Payments	27,274	28,289	1,016	3.7%	28,015	(274)	(1.0%)	62,192	61,918	(274)	(0.4%)
In-house Insurance (TPCC)	1,150		(1,150)	(100.0%)							
Funded Total	**627,614**	**637,082**	**9,467**	**1.5%**	**663,816**	**26,734**	**4.0%**	**1,310,096**	**1,360,667**	**50,571**	**3.7%**

* Shown as a separate line to help facilitate analysis, as PSAB statements allocate these amounts to the various segments

** 2013 figures have been restated to reflect impact of corporate re-organizations and to correct presentation

Year over Year

Year to date expenses were $9.7 million (1.4 per cent) higher than the same period in 2013. The main increases come from the Bus and Rail divisions.

Bus division operating expenditures were $8.6 million (2.8 per cent) higher year-over-year. Labour, contractual and inflationary increases were partially offset by ongoing savings from cost efficiency initiatives implemented in late 2013. Maintenance materials were higher in 2014 due to increased lifecycle repairs. Service levels were higher mainly due to the impact of the King George B-Line service added in September 2013 along with the timing of other scheduling adjustments for construction activities.

Corporate expenses were $2.6 million (7.6 per cent) lower than the prior year. Occupancy costs are lower as a provision for the Gateway sublease was included in 2013. This was offset by higher labour costs (length of service and collective bargaining contracts), higher computer and systems costs and marketing and training costs related to Compass Card.

Rail division operating expenses were $6.2 million (5.2 per cent) higher year-over-year due to additional state of good repair costs, increased labour costs as per the collective agreement, additional crewing costs for West Coast Express (WCE), increased contractual rates for Canada Line, and WCE rail car leases, and diesel and hydro costs.

Roads and bridges expenses were $1.6 million (4.1 per cent) higher mainly due to the timing of MRN contributions to municipalities. Note, year-over-year change and actual to budget variance in Roads and Bridges expense is common as TransLink's contributions to the municipalities are contingent on the

municipalities' project spending. Since the municipalities govern when project work is done and have a four-year period in which to complete their projects, their project spending, and subsequent TransLink contributions, fluctuate year-to-year.

Transit Police Year over year variance was $1.7 million (12.3 per cent) higher. Salary costs increased over the same period due to less vacant sworn positions in 2014 (only 2 vacancies in 2014 verses 16 vacancies in 2013).

Amortization expense decreased by $4.9 million (5.8 per cent) compared to the prior year mainly due to the accelerated amortization of ticket vending machines in 2013.

Actual vs. Budget and Forecast

A favourable variance of $38.1 million (5.2 per cent) to budget was mainly due to the timing of Major Road Network contributions and corporate costs related to the timing of Compass implementation. Expenses are forecast to be $39.0 million (2.6 per cent) under budget at year-end.

Bus division operating expenses are $1.3 million or (0.4 per cent) favourable to budget. Labour costs are unfavourable due to higher than planned overtime and contract settlements offset partially by savings from temporary staff vacancies. Fuel and Insurance costs were favourable due to fewer service kilometres and lower diesel prices and vehicle insurance rates. Other favourable variances are primarily due to the timing of planned activities. The 2014 forecast is for expenditures to be under budget by $4.5 million (0.7 per cent) as a result of savings from temporary staff vacancies and lower forecasted fuel and insurance costs offsetting additional costs for increased Access Transit taxi service, higher than planned conventional bus service hours, labour contract settlements and higher employee future benefits.

Corporate expenses were $13.4 million (30.1 per cent) below budget. Compass Card related costs accounted for $10.9 million of this variance. Salaries were below budget due to vacancies. Feasibility studies costs were lower due to the timing of work performed. The forecast for 2014 is expected to be $14.6 million (14.4 per cent) under budget.

Rail division operating expenses are $1.1 million (0.8 per cent) favourable to budget. The favourable variance was from operating and project related position vacancies, lower than expected inflationary increase in contractual Canada Line payments and net savings from the delayed implementation of faregates, offset by WCE crewing mobilization costs and state of good repair costs. The forecasts for 2014 is for expenses to be $3.1 million (1.2 per cent) lower than budget. The forecasted underrun is from lower than budgeted employee future benefits cost estimates, timing differences to fill vacant positions, lower inflationary increase for Canada Line payments, continued delay in the faregate implementation offset by certain inventory adjustments, WCE crewing mobilization costs and hydro rate increases in excess of budget.

Roads and bridges was $15.1 million (27.4 per cent) below budget due to the timing of Major Road Network contributions to municipalities, and are expected to be on budget at year-end.

Transit Police costs were $0.5 million (3.0 per cent) favourable year to date as a result of staff vacancies. Police costs are forecast to remain $0.4 million (1.2 per cent) lower than budget for the same reasons.

Amortization of capital assets was $3.3 million (4.0 per cent) below budget due to delays in project completions resulting in delays in capitalizing these projects.

Interest expense is $3.2 million (3.6 per cent) lower than budget primarily due to lower than anticipated borrowing requirements and lower interest rates. By year end the interest expense variance is expected to be $11.7 million (6.4 per cent) favourable for the same reasons.

Expenses by Category

CONSOLIDATED EXPENSES BY CATEGORY As at June 30, 2014 ($ thousands)	YTD 2013 ACTUAL RESTATED	YTD 2014 ACTUAL	YTD Year-over-Year Change	YTD Year-over-Year %	YTD 2014 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual 2014 FORECAST	Annual 2014 BUDGET	Annual Forecast Variance Fav/ (Unfav)	Annual Forecast Variance %
Administration	12,648	16,798	4,150	32.8%	20,961	4,163	19.9%	33,440	37,678	4,238	11.2%
AirCare	8,035	7,931	(104)	(1.3%)	8,140	209	2.6%	16,648	16,859	211	1.3%
Amortization of Capital Assets	84,124	79,241	(4,883)	(5.8%)	82,548	3,307	4.0%	161,450	165,830	4,380	2.6%
Capital Infrastructure contributions	18,459	20,666	2,207	12.0%	32,629	11,962	36.7%	69,119	64,603	(4,516)	(7.0%)
Contracted Services	93,550	95,501	1,951	2.1%	98,667	3,166	3.2%	198,291	203,294	5,003	2.5%
Fuel and Power	34,359	35,100	741	2.2%	35,507	407	1.1%	71,298	73,347	2,049	2.8%
Insurance	8,301	9,283	982	11.8%	10,557	1,274	12.1%	18,965	21,324	2,359	11.1%
Interest	87,822	87,026	(796)	(0.9%)	90,242	3,216	3.6%	170,909	182,614	11,705	6.4%
Maintenance, Materials and Utilities	50,044	53,803	3,759	7.5%	55,747	1,944	3.5%	113,036	114,872	1,836	1.6%
Professional and Legal	5,568	5,269	(299)	(5.4%)	12,093	6,824	56.4%	14,625	22,854	8,229	36.0%
Rentals, Leases and Property Tax	27,061	19,372	(7,689)	(28.4%)	20,083	712	3.5%	38,254	40,432	2,178	5.4%
Salaries, Wages and Benefits	261,542	271,829	10,287	3.9%	272,760	931	0.3%	561,481	562,839	1,358	0.2%
Provision for Asset Valuation	605	-	(605)	(100.0%)	-	-	-	-	-	-	-
PSAB Total	**692,117**	**701,819**	**9,701**	**1.4%**	**739,932**	**38,113**	**5.2%**	**1,467,518**	**1,506,547**	**39,028**	**2.6%**
Funding Adjustments:											
AirCare	(8,035)	(7,931)	104	1.3%	(8,140)	(209)	(2.6%)	(16,648)	(16,859)	(211)	(1.3%)
Amortization of Capital Assets	(79,814)	(75,813)	4,001	5.0%	(76,425)	(612)	(0.8%)	(154,306)	(152,848)	1,458	1.0%
Gov. Funding Admin/Non-capitalizable projects	(36)	(96)	(60)	(170.2%)	(51)	45	89.5%	(264)	(101)	163	161.5%
Interest	(33,456)	(33,679)	(223)	(0.7%)	(34,026)	(347)	(1.0%)	(67,611)	(68,258)	(647)	(0.9%)
GEB Capital Payments	27,274	28,289	1,016	3.7%	28,015	(274)	(1.0%)	62,192	61,918	(274)	(0.4%)
MRN Capital Funding	(18,459)	(20,666)	(2,207)	(12.0%)	(32,629)	(11,962)	(36.7%)	(69,119)	(64,603)	4,516	7.0%
Principle Repayments	37,278	34,265	(3,014)	(8.1%)	34,184	(81)	(0.2%)	66,317	67,283	966	1.4%
Debt Repayment Reserves	9,594	10,894	1,300	13.6%	12,954	2,060	15.9%	22,019	27,588	5,569	20.2%
In-house Insurance (TPCC)	1,150	-	(1,150)	(100.0%)	-	-	-	-	-	-	-
Funded Total	**627,614**	**637,082**	**9,467**	**1.5%**	**663,816**	**26,734**	**4.0%**	**1,310,096**	**1,360,667**	**50,571**	**3.7%**

** 2013 figures have been restated to reflect impact of corporate re-organizations and to correct presentation

Year over Year

Year to date administration expenses increased $4.2 million (32.8 per cent) year over year mainly due to higher software and licensing costs and onetime costs related to marketing and training for the Compass Card project.

Amortization expense decreased by $4.9 million (5.8 per cent) compared to the prior year mainly due to the accelerated amortization of ticket vending machines in 2013.

Capital infrastructure expenses were $2.2 million (12.0 per cent) higher due to the timing of when municipalities schedule the work.

Contracted services are $2.0 million (2.1 per cent) higher in 2014. Contractual payments for Canada Line increased, additional expenses were incurred to mobilize a new train crew for West Coast Express, and costs increased for the West Vancouver Blue Bus service.

Maintenance, materials and utilities increased $3.8 million (7.5 per cent) over 2013 due to an increase in planned major repairs within both the bus and rail divisions as part of "state of good repair".

Rentals, leases and property taxes are $7.7 million (28.4 per cent) lower in 2014. The costs in 2013 included a provision for the Gateway sublease.

Salaries, wages and benefits were $10.3 million (3.9 per cent) higher than 2013 due to economic and contractual increases.

Actual vs. Budget and Forecast

Administration expenses were $4.2 million (19.9 per cent) under budget due to lower marketing expenses related to the timing of Compass Card implementation. The forecast variance is expected to remain at $4.2 million for the full year.

Amortization of capital assets was $3.3 million (4.0 per cent) lower than budget due to the timing of project capitalizations. The forecast variance is expected to be $4.4 million favourable to budget.

The largest variance to budget was in the capital infrastructure contributions category, which was $12.0 million (36.7 per cent) below budget. This favourable variance was due to the timing of scheduled work in municipalities. It is anticipated that spending in the latter half of the year will rise and the year will finish at $4.5 million (7.0 per cent) over budget.

Contracted services are $3.2 million (3.2 per cent) under budget largely due to the timing of Compass Card implementation. The forecast is expected to be $5.0 million (2.5 per cent) under budget, mainly due to spending on Compass Card being shifted forward, offset slightly by additional investments in the Access Transit service.

Professional and legal expenses were $6.8 million (56.4 per cent) lower than budget mainly due to the timing of Compass Card spending, and lower feasibility studies. The forecast for the year is $8.2 million favourable to budget.

Rentals, leases and property taxes were $0.7 million (3.5 per cent) unfavourable to budget due to the delay in subleasing Gateway offices. The forecast is to be under budget at year end by $2.1 million (5.4 per cent) with lower property tax and equipment rental costs expected.

Salaries, wages and benefits are favourable to budget by $0.9 million (0.3 per cent) mainly due to vacant positions, and are expected to be $1.4 million (0.2 per cent) favourable to budget at year-end.

Capital Projects

CAPITAL PROJECTS As at June 30, 2014 ($ thousands)	Number of Projects	Budget A Current	Forecasts/Variances 2014 Actuals and Forecasts	 B Final Forecast Total	 A - B Variance to Current Budget	Senior Government Funding (Committed)
Total of all Active Projects (including Substantially Complete) and Approved in Principle (AiP) Projects as at Jan 01 2014	**213**	**$ 2,232,638**	**$ 472,105**	**$ 2,209,960**	**$ 22,678**	**$ 848,796**
Add: Adhoc Projects	6	4,307	2,005	4,151	156	-
Less: Projects Closed during 2014	(14)	(27,545)	(169)	(26,124)	(1,421)	-
Budget Changes	(6)	(29,653)	(40,932)	(27,554)	(2,099)	5,644
AiP Projects Cancelled in 2014	(17)	(9,652)	(6,953)	(9,652)	-	
Substantially Complete	(48)	(860,740)	(11,653)	(845,731)	(15,009)	(335,294)
Actual Costs and Forecast Changes			(50,551)	(795)	795	
Total Capital Program (excl Substantially Complete)	**134**	**$ 1,309,355**	**$ 363,852**	**$ 1,304,255**	**$ 5,100**	**$ 519,146**
Active Projects (excl Substantially Complete)	87	1,164,617	300,318	1,159,517	5,100	450,485
AiP Projects as at March 31, 2014	47	144,738	63,534	144,738	-	68,661
Total Capital Program (excl Substantially Complete)	**134**	**$ 1,309,355**	**$ 363,852**	**$ 1,304,255**	**$ 5,100**	**$ 519,146**

Closed Projects

A total of 14 projects with an aggregate cost of $26.1 million and an aggregate current budget of $27.5 million were completed and closed up to June 30, 2014. These projects had a total favourable variance of $1.4 million. TransLink regularly monitors the budgeted contingencies to ensure levels are appropriate. Of the projects closed in 2014, contingency made up 6.4 per cent of the total budget and 4.8 per cent was utilized.

Cancelled Projects

A total of 17 projects with AiP and an aggregate budget of $9.7 million were cancelled from the 2014 capital program. A majority of these projects were reviewed, prioritized, and cancelled to proactively manage costs, align strategic priorities and optimally utilize limited resources.

Substantially Complete Projects

A total of 48 projects with a total forecasted cost of $845.7 million and an aggregate current budget of $860.7 million were deemed substantially complete and in the final stages of project activity, with approximately $6.1 million remaining to be spent. The total expected favourable variance for these projects is $15.0 million or 1.7 per cent.

Active Projects (excluding substantially complete)

ACTIVE CAPITAL PROJECTS (excl. substantially complete) As at June 30, 2014 ($ thousands)	Number of Projects	Budget A Current	Forecasts/Variances 2014 Actuals and Forecasts	B Final Forecast Total	A - B Variance to Current Budget	Senior Government Funding (Committed)
Equipment	16	$ 15,216	$ 7,784	$ 14,845	$ 371	$ -
Facilities	16	153,225	64,208	152,743	482	89,026
Infrastructure	29	404,705	83,670	404,114	591	195,912
Major Construction	1	402,841	88,116	403,023	(182)	-
Technology Applications	10	14,638	7,128	14,145	493	-
Vehicle - Non Revenue	5	2,229	2,011	2,221	8	-
Vehicle - Revenue	10	171,763	47,401	168,426	3,337	165,547
Grand Total	**87**	**$ 1,164,617**	**$ 300,318**	**$ 1,159,517**	**$ 5,100**	**$ 450,485**

As at June 30, 2014, there were 87 active projects with a current budget of $1.2 billion. The forecasted active project variance of $5.1 million or 0.4 per cent was primarily made up of the following projects in the Vehicle-Revenue category:

- The 2nd Replacement Seabus Project (0923) being under budget by $2.4 million due to savings in contract award.
- The 2013 HandyDart Fleet Replacement Project (122140) being under budget by $0.7 million due to savings in contract award.

Approval in Principle Projects

At the period ending June 30, 2014, there were 47 projects that had not yet been initiated with a total Approval in Principle (AiP) aggregate budget of $144.7 million. Projects with significant budgets include the Metrotown Station and Exchange Upgrade Construction ($35.0 million), Pattullo Bridge Rehabilitation Phase 2 Design ($18.5 million), and Operational Facility Real Estate Acquisition ($14.5 million).

Remaining projects not yet initiated at the end of June include TransLink division projects such as various SkyTrain station upgrade designs and IT replacement/enhancement projects totalling $24.5 million; Rail division projects such as rail infrastructure and controls replacements, elevator/escalator replacement, SkyBridge improvements and general infrastructure state of good repair replacements totalling $22.9 million; and Bus division projects such as facilities and infrastructure improvements, equipment and fleet replacements, and technology upgrades totalling $29.3 million.

5. Changes in Financial Position

FINANCIAL ASSETS As at June 30, 2014 ($ thousands)	June 30, .2014	December 31, 2013	Change	%
Accounts receivable	$ 241,470	$ 97,103	$ 144,367	148.7%
Restricted cash and investments	373,605	420,681	(47,076)	-11.2%
Assets held for sale	-	14,164	(14,164)	-100.0%
Debt reserve deposits	39,671	39,677	(6)	0.0%

Financial Assets

Accounts receivable increased $144.4 million primarily due to the accrual for property tax revenue, which will be paid to TransLink in August.

Restricted cash and investments represent unspent government transfers, self-administered sinking funds and funds set aside to pay off the Municipal Financing Authority (MFA) debt. The decrease of $47 million is primarily due to the spending of the government transfers on specific transit assets and the repayment of MFA debt.

The change in the asset held for sale balance represents the disposal of a real estate property.

LIABILITIES As at June 30, 2014 ($ thousands)	June 30, 2014	December 31, 2013	Change	%
Accounts payable and accrued liabilities	$ 208,936	$ 235,987	$ (27,051)	-11.5%
Deferred government transfer	1,226,561	1,238,101	(11,540)	-0.9%
Golden Ears Bridge contractor liability	1,051,101	1,045,059	6,042	0.6%
Deferred concessionaire credits	607,401	618,942	(11,541)	-1.9%
Employee future benefits	93,888	89,082	4,806	5.4%
Deferred lease inducements	13,131	12,984	147	1.1%

Liabilities

Accounts payable and accrued liabilities decreased $27.1 million primarily due to a decrease in the trade payable and the capital accruals.

The net decrease of $11.5 million in deferred government transfer is due to the revenue recognition for government funding.

The Golden Ears Bridge contractor liability increased, as interest expense exceeds the payments in early years. The liability is setup so that principal payments commence during 2015.

Deferred concession credits represent the funding provided by the Canada Line Concessionaire. This balance is amortized to income on a straight-line basis over the operating term of the concessionaire agreement, which will expire in July 2040.

Employee future benefits, which represent post retirement and post employment benefits, has increased by $4.8 million primarily due to the estimated current service cost and related interest. The post retirement portion of this liability will draw down upon retirement of the employees.

NON-FINANCIAL ASSETS As at June 30, 2014 ($ thousands)	June 30, 2014	December 31, 2013	Change	%
Tangible capital assets	$ 4,454,270	$ 4,451,189	$ 3,081	0.1%
Supplies inventory	48,346	46,869	1,477	3.2%
Prepaid expenses	17,089	9,315	7,774	83.5%

Non-Financial Assets

Tangible capital assets decreased by $3.1 million primarily as a net result of $83 million in additions less the amortization of $79 million.

6. Liquidity and Capital Resources

Cash Flows and Liquidity

Liquidity declined during the 6-month period primarily due to an increase of accounts receivable and purchases of capital assets. TransLink's liquidity position is further supported by a $500 million commercial paper program, of which only $120 million is outstanding. The normal trend is to draw down on cash and increase use of commercial paper until property tax revenue is received in August. The following table shows TransLink's unrestricted cash and near cash equivalent investments, including money market funds.

CASH AND NEAR CASH As at June 30, 2014 ($ thousands)	June 30, 2014	December 31, 2013	Change
Cash	$ 107,626	$ 247,758	$ (140,132)
Investments – unrestricted (near cash equivalent) *	29,441	61,539	(32,098)
	$ 137,067	$ 309,297	$ (172,230)

* Unrestricted investments are different from the consolidated statement of financial position as TPCC's investments have been excluded

Debt

TransLink's debt management policy includes self-imposed debt coverage and debt service coverage limits. TransLink continues to remain within these limits.

Translink currently has three main sources of financing its assets: net direct debt, indirect Public Private Partnership (P3) debt and senior government contributions. The latter is represented on the balance sheet as deferred government transfers. Net Direct Debt and Indirect P3 Debt were both relatively unchanged and constitutes approximately 40 per cent and 35 per cent of TransLink's debt capital.

Net direct debt has declined modestly by $11.9 million via the scheduled principal payments to MFA and further contributions to the self-administered sinking fund. These principal payments were partly offset by a $30 million increase in TransLink's commercial paper borrowing during the 6-month period.

FINANCING As at June 30, 2014 ($ thousands)	June 30, 2014	Percent of Total	December 31, 2013	Percent of Total	Change
Direct Debt	$ 2,002,941		$ 2,043,949		$ (41,008)
Less: Restricted Investments:					
- Self-administered sinking funds	(61,896)		(56,847)		(5,049)
- Funds set aside to repay MFA Debt	(0)		(34,193)		34,193
Less: MFA DRF	(39,671)		(39,677)		6
Net Direct Debt	**$ 1,901,374**	**39.7%**	**$ 1,913,232**	**39.7%**	**$ (11,858)**
GEB	1,051,101		1,045,059		6,042
DCC - Canada Line	607,401		618,942		(11,541)
Indirect P3 Debt	**$ 1,658,502**	**34.7%**	**$ 1,664,001**	**34.6%**	**$ (5,499)**
Subtotal Net Direct Debt and Indirect P3 Debt	**$ 3,559,876**		**$ 3,577,233**		**$ (17,357)**
Deferred government transfers	**$ 1,226,561**	**25.6%**	**$ 1,238,101**	**25.7%**	**$ (11,540)**
Total	**$ 4,786,437**	**100.0%**	**$ 4,815,334**	**100.0%**	**$ (28,897)**

Maintaining a high-quality credit rating is essential to ensure that TransLink can continue to access capital markets in the most cost-effective basis. The following table summarizes TransLink's current credit ratings and outlooks.

CREDIT RATING As at June 30, 2014 Agency	Commercial Paper	Senior Debt	General Obligation	Outlook
DBRS Limited	R-1 mid	AA	AA	Stable
Moody's Investors Service	Not Rated	Aa2	Aa2	Stable

Schedule 1: Consolidated Financial Statements

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position (Unaudited)
(in thousands of dollars)

June 30, 2014, with comparative information for December 31, 2013

	June 30 2014	December 31 2013
FINANCIAL ASSETS		
Cash	$ 107,626	$ 247,758
Accounts receivable	241,470	97,103
Restricted cash and investments	373,605	420,681
Investments	74,463	83,787
Assets held for sale	-	14,164
Debt reserve deposits	39,671	39,677
	836,835	903,170
LIABILITIES		
Accounts payable and accrued liabilities	208,936	235,987
Debt	2,002,941	2,043,949
Deferred government transfer	1,226,561	1,238,101
Golden Ears Bridge contractor liability	1,051,101	1,045,059
Deferred concessionaire credits	607,401	618,942
Employee future benefits	93,888	89,082
Deferred lease inducements	13,131	12,984
	5,203,959	5,284,104
NET DEBT	(4,367,124)	(4,380,934)
NON-FINANCIAL ASSETS		
Tangible capital assets	$ 4,454,270	$ 4,451,189
Supplies inventory	46,346	46,869
Prepaid expenses	17,089	9,315
	4,519,705	4,507,373
Accumulated Surplus	$ 152,581	$ 126,439

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations (Unaudited)
(in thousands of dollars)

Six months ended June 30, 2014, with comparative information for June 30, 2013

	2014 Budget	2014 Actual	Restated 2013 Actual
Revenue:			
Taxation	$ 367,983	$ 375,711	$ 361,031
Transit	252,353	242,922	242,163
Golden Ears Bridge tollings	18,873	20,198	18,656
Emissions testing	6,840	7,815	10,286
Government transfers	43,808	44,046	41,376
Amortization of deferred concessionaire credit	11,541	11,541	11,541
Interest income	17,060	17,105	16,343
Miscellaneous revenue	1,016	1,985	1,755
Gain (loss) on disposal of tangible capital assets	-	6,638	(197)
	719,474	727,961	702,954
Expenses:			
Aircare	8,140	7,931	8,035
Bus division	389,231	381,129	372,584
Corporate	49,024	37,361	40,754
Rail division	172,194	170,567	169,611
Roads & Bridges	105,371	89,333	87,328
Transit Police	15,973	15,498	13,805
	739,933	701,819	692,117
Surplus (deficit) for the period	(20,459)	26,142	10,837
Accumulated surplus, beginning of period	57,996	126,439	89,674
Accumulated surplus, end of period	$ 37,537	$ 152,581	$ 100,511

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt (Unaudited)
(in thousands of dollars)

Six months ended June 30, 2014, with comparative information for June 30, 2013

	2014 Actual	2013 Actual Restated
Surplus for the period	$ 26,142	$ 10,837
Acquisition of tangible capital assets	(83,303)	(127,854)
Amortization of tangible capital assets	79,241	84,124
(Gain) loss on disposal of tangible capital assets	(6,638)	197
Net proceeds (costs) from disposal of capital assets	7,619	(197)
Write down of tangible capital assets	-	605
	(3,081)	(43,125)
Change in supplies inventory	(1,477)	(983)
Change in prepaid expenses	(7,774)	(8,134)
	(9,251)	(9,117)
Decrease (increase) in net debt	13,810	(41,405)
Net debt, beginning of period	(4,380,934)	(4,347,911)
Net debt, end of period	$ (4,367,124)	$ (4,389,316)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Cash Flows (Unaudited)
(in thousands of dollars)

Six months ended June 30, 2014, with comparative information for June 30, 2013

	2014	2013 Restated
Cash provided by (used for):		
Operating Transactions:		
Surplus for the period	$ 26,142	$ 10,837
Non-cash charges to operations	33,148	48,829
Changes in non-cash operating working capital	(161,699)	(111,896)
Net change in cash from operating transactions	(102,409)	(52,230)
Capital Transactions:		
Purchase of capital assets	(83,303)	(127,854)
Net proceeds (costs) from disposal of capital assets	7,619	(197)
Net change in cash from capital transactions	(75,684)	(128,051)
Investing Transactions:		
Decrease (increase) in restricted cash and investments	47,076	(74,760)
Decrease (increase) in investments	9,324	(42,092)
Decrease (increase) in debt reserve deposits	6	(611)
Net change in cash from investing transactions	56,406	(117,463)
Financing Transactions:		
Debt proceeds	30,549	90,461
Issue costs on financing	(6)	-
Repayments of debt	(72,235)	(56,591)
Government transfers received for capital additions	22,862	162,491
Lease inducements received	385	2,027
Net change in cash from financing transactions	(18,445)	198,388
Decrease in cash	(140,132)	(99,356)
Cash, beginning of period	247,758	187,093
Cash, end of period	$ 107,626	$ 87,737
Supplementary information:		
Interest paid	$ 83,856	$ 83,218

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Cash Flows (continued) (Unaudited)
(in thousands of dollars)

Six months ended June 30, 2014, with comparative information for June 30, 2013

		2014	2013 Restated
Non-cash charges to operations:			
Amortization of capital assets	$	79,241	$ 84,124
Amortization of bond discount		552	823
Amortization of debt issue cost		132	354
Amortization of deferred concessionaire credits		(11,541)	(11,541)
Amortization of deferred government transfers		(34,402)	(31,644)
Amortization of deferred lease inducements		(238)	(283)
Interest accretion on contractor liability		6,042	6,194
Writedown of tangible capital assets		-	605
Loss (Gain) on disposal of tangible capital assets		(6,638)	197
	$	33,148	$ 48,829
Changes in non-cash operating working capital:			
Increase in accounts receivable	$	(144,367)	$(119,859)
Increase in supplies inventory		(1,477)	(983)
Increase in prepaid expenses		(7,774)	(8,134)
Increase (decrease) in accounts payable and accrued liabilities		(27,051)	11,645
Decrease in assets held for sale		14,164	-
Employee future benefit payable		4,806	5,435
	$	(161,699)	$(111,896)

TransLink
Segment Report
Six months ended June 30, 2014
(in thousands of dollars)

	Aircare	Bus division	Corporate	Rail division	Road & Bridge	Transit Police	2014	Restated 2013
Revenues:								
Taxation	$ -	$ -	$ 375,711	$ -	$ -	$ -	$ 375,711	$ 361,031
Transit	-	-	242,922	-	-	-	242,922	242,163
Golden Ears Bridge tollings	-	-	-	-	20,198	-	20,198	18,656
Emissions testing	7,815	-	-	-	-	-	7,815	10,286
Government transfers	-	-	44,047	-	(1)	-	44,046	41,376
Amortization of deferred concessionaire credit	-	-	-	11,541	-	-	11,541	11,541
Interest income	-	-	17,105	-	-	-	17,105	16,343
Miscellaneous revenue	-	1,060	685	162	20	58	1,985	1,755
Gain (loss) on disposal of tangible capital assets	-	135	6,503	-	-	-	6,638	(197)
	7,815	1,195	686,973	11,703	20,217	58	727,961	702,954
Expenses								
Administration	119	7,475	6,182	2,047	72	1,022	16,917	12,782
Amortization of capital assets	-	39,064	3,662	27,109	9,399	7	79,241	84,124
Capital infrastructure contributions	-	-	-	-	20,666	-	20,666	18,459
Contracted services	7,162	33,010	-	56,964	5,527	-	102,663	100,776
Fuel and power	-	28,750	-	6,350	-	-	35,100	34,359
Insurance	2	6,537	80	2,108	541	17	9,285	8,303
Interest	-	26,300	2,465	18,250	40,006	5	87,026	87,822
Maintenance, materials and utilities	3	25,973	548	14,682	12,061	539	53,806	50,049
Professional & legal	8	916	3,173	383	537	260	5,277	5,575
Rentals, leases and property tax	62	6,229	4,529	7,732	49	833	19,434	27,127
Salaries, wages and benefits	575	206,875	16,722	34,942	475	12,815	272,404	262,136
Write-down of tangible capital assets	-	-	-	-	-	-	-	605
	7,931	381,129	37,361	170,567	89,333	15,498	701,819	692,117
Surplus (deficit) for the period	$ (116)	$(379,934)	$ 649,612	$(158,864)	$ (69,116)	$ (15,440)	$ 26,142	$ 10,837

Schedule 2: Funded Statement of Operations

FUNDED STATEMENT OF OPERATIONS As at June 30, 2014 ($ thousands)	YTD 2013 ACTUAL	YTD 2014 ACTUAL	YTD Year-over-Year Change	 %	YTD 2014 BUDGET	YTD Budget Variance Fav/(Unfav)	 %	Annual 2014 Q2 FORECAST	Annual 2014 BUDGET	Annual Forecast Variance Fav/(Unfav)	 %
REVENUES											
Transit	242,163	242,922	760	0.3%	252,353	(9,431)	(3.7%)	501,756	518,001	(16,245)	(3.1%)
Golden Ears Bridge tolls	18,656	20,198	1,542	8.3%	18,873	1,325	7.0%	41,500	39,648	1,852	4.7%
Fuel	167,307	175,389	8,082	4.8%	168,881	6,508	3.9%	344,270	337,761	6,508	1.9%
Property and Replacement	157,043	161,473	4,430	2.8%	161,473	-	0.0%	322,946	322,946	0	0.0%
Hydro Levy	9,393	9,674	281	3.0%	9,700	(26)	(0.3%)	19,644	19,670	(26)	(0.1%)
Parking Sales	27,289	29,175	1,887	6.9%	27,930	1,245	4.5%	58,669	56,019	2,650	4.7%
Total Taxation	361,031	375,711	14,681	4.1%	367,983	7,728	2.1%	745,529	736,396	9,132	1.2%
Interest Income	2,121	2,183	62	2.9%	2,006	178	8.9%	4,419	4,123	296	7.2%
Operating Contribution	9,731	9,644	(87)	(0.9%)	9,569	75	0.8%	19,535	19,300	235	1.2%
Miscellaneous	1,755	1,985	230	13.1%	1,016	968	95.2%	3,301	2,043	1,259	61.6%
Gain on Disposal	(197)	6,638	6,834	3475.7%	-	6,638	0.0%	6,638	-	6,638	0.0%
Total Revenues	**635,260**	**659,281**	**24,022**	**3.8%**	**651,800**	**7,481**	**1.1%**	**1,322,678**	**1,319,511**	**3,167**	**0.2%**
EXPENSES											
Major Road Network Operations	11,730	11,953	223	1.9%	13,870	1,916	13.8%	25,157	28,529	3,372	11.8%
Golden Ears Bridge Operations	6,230	6,341	111	1.8%	6,240	(102)	(1.6%)	12,814	12,709	(105)	(0.8%)
Admin	2,294	968	(1,326)	(57.8%)	2,291	1,322	57.7%	3,019	4,444	1,425	32.1%
Total Roads & Bridges	**20,254**	**19,263**	**(991)**	**(4.9%)**	**22,400**	**3,137**	**14.0%**	**40,990**	**45,682**	**4,692**	**10.3%**
Coast Mountain Bus Company	273,997	281,103	7,106	2.6%	282,001	898	0.3%	564,791	570,208	5,417	1.0%
Access Transit	25,054	24,749	(306)	(1.2%)	25,033	284	1.1%	51,464	50,507	(958)	(1.9%)
Other Contractors	9,280	9,914	634	6.8%	10,043	129	1.3%	20,376	20,418	42	0.2%
Total Bus Division	**308,332**	**315,766**	**7,434**	**2.4%**	**317,077**	**1,311**	**0.4%**	**636,631**	**641,133**	**4,502**	**0.7%**
Expo & Millennium Lines	50,725	54,544	3,820	7.5%	55,329	784	1.4%	110,689	112,650	1,961	1.7%
West Coast Express	15,463	17,320	1,857	12.0%	17,089	(231)	(1.4%)	34,648	34,814	166	0.5%
Canada Line	52,816	53,343	527	1.0%	53,848	505	0.9%	107,894	108,834	940	0.9%
Total Rail Division	**119,004**	**125,208**	**6,204**	**5.2%**	**126,266**	**1,058**	**0.8%**	**253,231**	**256,298**	**3,067**	**1.2%**
Total Transit	**427,336**	**440,974**	**13,638**	**3.2%**	**443,343**	**2,369**	**0.5%**	**889,863**	**897,431**	**7,568**	**0.8%**
Translink	**33,410**	**31,137**	**(2,273)**	**(6.8%)**	**44,621**	**13,484**	**30.2%**	**74,707**	**87,746**	**13,040**	**14.9%**
Transit Police	**13,793**	**15,486**	**1,693**	**12.3%**	**15,960**	**474**	**3.0%**	**31,805**	**32,181**	**376**	**1.2%**
Provision for Contingencies/Reinvestments	-	-	-	0.0%	-	-	0.0%	11,763	13,500	1,737	12.9%
Interest Expense	54,366	53,347	(1,019)	(1.9%)	56,216	2,869	5.1%	103,297	114,356	11,059	9.7%
Amortization	4,310	3,428	(881)	(20.5%)	6,123	2,695	44.0%	7,144	12,982	5,838	45.0%
Debt Repayments	46,872	45,158	(1,714)	(3.7%)	47,138	1,980	4.2%	88,335	94,871	6,536	6.9%
GEB Capital Payments	27,274	28,289	1,016	3.7%	28,015	(274)	(1.0%)	62,192	61,918	(274)	(0.4%)
Total Debt Services	**132,821**	**130,223**	**(2,598)**	**(2.0%)**	**137,493**	**7,270**	**5.3%**	**260,968**	**284,127**	**23,159**	**8.2%**
Total Expenses	**627,614**	**637,082**	**9,469**	**1.5%**	**663,816**	**26,734**	**4.0%**	**1,310,096**	**1,360,667**	**50,571**	**3.7%**
Funded Surplus/(Deficit)	**7,646**	**22,199**	**14,553**	**190.3%**	**(12,016)**	**34,215**	**284.7%**	**12,583**	**(41,156)**	**53,738**	**130.6%**
Cumulative Funded Surplus											
Opening Balance	294,793	342,700	47,907	16.3%	342,700	-	0.0%	342,700	342,700	-	-
Surplus/(Deficit) YTD	7,646	22,199	14,553	190.3%	(12,016)	34,215	284.7%	12,583	(41,156)	53,738	130.6%
Closing Balance	**302,439**	**364,899**	**62,460**	**20.7%**	**330,684**	**34,215**	**10.3%**	**355,283**	**301,544**	**53,738**	**17.8%**

Appendix 1: Bus Operations

BUS DIVISION	YTD Q2 2013 Actual	YTD Q2 2014 Actual	Fav./(Unfav.) Year over Year	YTD Q2 2014 Budget	Fav./(Unfav.) Actual vs. Target
CONVENTIONAL TRANSIT (BUS)					
Customer					
Overall performance rating out of 10	7.8	7.9	0.1	7.6	0.3
Complaints per 1 m boarded passengers	114.0	102.7	11.3	107.2	4.5
Preventable collisions per million kms.	8.4	3.9	4.5	8.8	4.9
Passenger injuries per 1 million boarded passengers	3.4	3.5	(0.2)	3.2	(0.3)
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.5	8.5	-	8.5	-
Delivered service hours/scheduled	99.48%	99.55%	0.07%	99.50%	0.05%
Internal Effectiveness					
Operating cost per passenger km.	$0.384	$0.402	$(0.018)	$0.374	$(0.028)
Operating cost (excluding energy) per passenger km.	$0.344	$0.357	$(0.013)	$0.334	$(0.023)
Operating Cost per capacity kilometre	$0.118	$0.121	$(0.003)	$0.120	$(0.001)
Boardings per service hour	49.90	48.70	(1.20)	52.20	(3.50)
Utilization (Passenger Kms./Capacity Kms.)	30.6%	30.1%	(0.5%)	32.2%	(2.1%)
Mean distance between vehicle failures	26,151	23,536	(2,615)	29,841	(6,305)
People					
Lost time frequency (per 200,000 hours worked)	7.89	7.97	(0.08)	n/a	n/a
Service Statistics					
Service Hours (thousands)	2,421	2,443	22	2,432	11
Service Kilometres (thousands)	48,087	47,921	(166)	48,636	(715)
Boarded Passengers (thousands)	120,853	118,864	(1,989)	127,049	(8,185)
CMBC					
Customer					
Overall performance rating out of 10	7.7	7.8	(0.1)	7.6	0.2
Complaints per 1 m boarded passengers	114.4	103.7	10.7	110.8	7.1
Preventable collisions per million kms.	8.3	4.0	4.3	5.1	1.1
Passenger injuries per 1 million boarded passengers	3.4	3.6	(0.3)	3.2	(0.4)
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.5	8.5	-	8.5	-
Delivered service hours/scheduled	99.5%	99.5%	0.07%	99.5%	0.0%
Internal Effectiveness					
Operating cost per passenger km.	$0.386	$0.404	$(0.018)	$0.375	$(0.029)
Operating cost (excluding energy) per passenger km.	$0.347	$0.359	$(0.012)	$0.336	$(0.023)
Operating Cost per capacity kilometre	$0.118	$0.122	$(0.004)	$0.134	$0.012
Boardings per service hour	50.50	49.30	(1.20)	53.10	(3.80)
Utilization (Passenger Kms./Capacity Kms.)	30.6%	30.1%	(0.5%)	32.3%	(2.2%)
Mean distance between vehicle failures	28,718	25,051	(3,667)	29,841	(4,790)
People					
Lost time frequency (per 200,000 hours worked)	7.89	7.97	(0.08)	6.8	1.17
Service Statistics					
Service Hours (thousands)	2,313	2,331	18	2,317	14
Service Kilometres (thousands)	45,648	45,440	(208)	46,014	(574)
Boarded Passengers (thousands)	116,856	114,879	(1,977)	122,972	(8,092)
CONTRACTED SERVICES					
Customer					
Overall performance rating out of 10	8.3	8.3	-	n/a	n/a
Complaints per 1 m boarded passengers	102.3	73.8	28.5	n/a	n/a
Preventable collisions per million kms.	10.7	4.0	6.7	n/a	n/a
Passenger injuries per 1 million boarded passengers	3.25	0.5	2.8	3.2	2.7
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.9	8.9	-	n/a	n/a
Delivered service hours/scheduled	99.86%	99.84%	(0.02%)	100.00%	(0.16%)
Internal Effectiveness					
Operating cost per passenger km.	$0.330	$0.353	$(0.023)	$0.351	$(0.002)
Operating cost (excluding energy) per passenger km.	$0.279	$0.310	$(0.031)	$0.293	$(0.017)
Operating Cost per capacity kilometre	$0.100	$0.107	$(0.007)	$0.103	$(0.004)
Boardings per service hour	36.80	35.60	(1.20)	35.40	0.20
Utilization (Passenger Kms./Capacity Kms.)	30.1%	30.4%	0.3%	29.2%	1.2%
Mean distance between vehicle failures	9,794	11,175	1,381	n/a	n/a
Service Statistics					
Service Hours (thousands)	108	112	4	115	(3)
Service Kilometres (thousands)	2,439	2,481	42	2,622	(142)
Boarded Passengers (thousands)	3,997	3,985	(12)	4,078	(93)
ACCESS TRANSIT					
Customer					
Overall performance rating out of 10	8.3	8.3	-	n/a	n/a
Complaints per 1 m boarded passengers	913.8	1,054.2	(140.4)	752.9	(301.3)
Preventable collisions per million kms.	10.0	8.7	1.3	n/a	n/a
Passenger injuries per 1 million boarded passengers	23.84	20.00	3.84	21.30	1.30
Perception of Safety (On-Board & At stops and exchanges) out of 10	9.0	8.9	(0.1)	n/a	n/a
Delivered service hours/scheduled	100.00%	100.00%	-	100.00%	-
Internal Effectiveness					
Operating cost per passenger km.	$6.495	$6.531	$(0.036)	$5.957	$(0.574)
Operating cost (excluding energy) per passenger km.	$6.113	$6.147	$(0.034)	$5.580	$(0.567)
Boardings per service hour	2.49	2.51	0.02	2.68	(0.17)
Service Statistics					
Service Hours (thousands)	304	279	(25)	297	(19)
Service Kilometres (thousands)	4,978	4,471	(507)	4,883	(412)
Boarded Passengers (thousands)	755	700	(55)	798	(98)

Appendix 2: Rail Operations

RAIL DIVISION	YTD Q2 2013 Actual	YTD Q2 2014 Actual	Fav./(Unfav.) Year over Year	YTD Q2 2014 Budget	Fav./(Unfav.) Actual vs. Target
TOTAL RAIL					
Customer					
Overall performance rating out of 10	8.4	8.3	(0.1)	8.3	-
Complaints per 1 m boarded passengers	13.8	14.1	(0.3)	9.3	(4.8)
On-time performance % (within 2 minutes) Expo/Millenium	95.70%	92.70%	(3.00%)	96.00%	(3.30%)
On-time performance % (within 5 minutes) WCE	97.50%	97.80%	0.30%	97.70%	0.10%
Collisions and derailments per million kms.	-	-	-	-	-
Passenger injuries per 1 million boarded passengers	0.72	1.20	(0.48)	-	-
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.3	8.2	(0.1)	8.3	(0.1)
Internal Effectiveness					
Operating cost per passenger km.	$0.175	$0.186	$(0.011)	$0.184	$(0.002)
Operating cost (excluding energy) per passenger km.	$0.167	$0.177	$(0.010)	$0.175	$(0.002)
Operating Cost per capacity kilometre	$0.039	$0.042	$(0.003)	$0.043	$0.001
Boardings per service hour	87.9	87.5	(0.4)	89.9	(2.4)
Utilization (Passenger Kms./Capacity Kms.)	22.5%	22.7%	0.2%	23.5%	(0.8%)
Mean distance between vehicle failures	792,224	690,541	(101,683)	660,641	29,900
Overall mystery shopper score	93.1%	92.6%	(0.5%)	93.3%	(0.7%)
People					
Lost time frequency (per 200,000 hours worked)	4.07	3.36	0.71	3.00	(0.36)
Service Statistics					
Service Hours	668	667	(0)	663	4
Service Kilometres	26,301	26,284	(17)	26,108	176
Boarded Passengers	58,699	58,389	(310)	59,593	(1,204)
West Coast Express					
Customer					
Overall performance rating out of 10	8.5	8.5	-	-	-
Complaints per 1 m boarded passengers	232.6	271.4	(38.8)	208.0	(63.4)
Service reliability (% service hours delivered)	100.1%	99.8%	(0.3%)	99.9%	(0.1%)
On-time performance within 5 minutes	97.5%	97.8%	0.3%	97.7%	0.1%
Passenger injuries per 1 million boarded passengers	-	-	-	0.35	0.35
Internal Effectiveness					
Operating cost per passenger km.	$0.188	$0.222	$(0.034)	$0.200	$(0.022)
Operating cost (excluding energy) per passenger km.	$0.174	$0.205	$(0.031)	$0.185	$(0.020)
Operating Cost per capacity kilometre	$0.084	$0.095	$(0.011)	$0.092	$(0.003)
Boardings per service hour	68.3	65.1	(3.2)	70.5	(5.4)
Utilization (Passenger Kms./Capacity Kms.)	45.0%	42.9%	(2.1%)	46.2%	(3.3%)
Mean distance between vehicle failures	228,570	171,082	(57,488)	229,197	(58,115)
Overall mystery shopper score	90.4%	87.9%	(2.5%)	87.5%	0.4%
People					
Lost time frequency (per 200,000 hours worked)	-	-	-	-	-
Service Statistics					
Service Hours	21	20	(0)	21	(0)
Service Kilometres	738	736	(1)	740	(4)
Boarded Passengers	1,402	1,334	(68)	1,447	(113)
Expo & Millenium Line					
Customer					
Overall performance rating out of 10	8.2	8.0	(0.2)	8.3	(0.3)
Complaints per 1 m boarded passengers	6.5	8.4	(1.9)	5.1	(3.3)
Service reliability (% service hours delivered)	99.6%	99.5%	(0.1%)	99.8%	(0.3%)
On-time performance %	95.7%	92.7%	(3.0%)	96.0%	(3.3%)
Collisions & Derailments per million kms.	-	-	-	-	-
Passenger injuries per 1 million boarded passengers	1.12	1.66	(0.54)	1.00	(0.66)
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.1	8.0	(0.1)	8.0	-
Internal Effectiveness					
Operating cost per passenger km.	$0.129	$0.142	$(0.013)	$0.141	$(0.001)
Operating cost (excluding energy) per passenger km.	$0.117	$0.129	$(0.012)	$0.129 $	-
Operating Cost per capacity kilometre	$0.023	$0.026	$(0.003)	$0.026 $	-
Boardings per service hour	68.3	67.8	(0.5)	69.7	(1.9)
Utilization (Passenger Kms./Capacity Kms.)	17.8%	18.2%	0.4%	18.7%	(0.5%)
Mean distance between vehicle failures	563,654	519,458	(44,196)	431,444	88,014
Overall mystery shopper score	93.1%	93.3%	0.2%	94.0%	(0.7%)
People					
Lost time frequency (per 200,000 hours worked)	4.07	3.36	0.71	3.00	(0.36)
Service Statistics					
Service Hours	550	550	(0)	545	5
Service Kilometres	22,182	22,166	(16)	21,952	214
Boarded Passengers	37,593	37,282	(311)	37,967	(685)
Canada Line					
Customer					
Overall performance rating out of 10	8.7	8.7	-	8.3	0.4
Complaints per 1 m boarded passengers	12.3	7.4	4.9	3.0	4.4
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.8	8.7	(0.1)	8.5	0.2
Internal Effectiveness					
Operating cost per passenger km.	$0.260	$0.262	$(0.002)	$0.259	$(0.003)
Operating cost (excluding energy) per passenger km.	$0.260	$0.262	$(0.002)	$0.259	$(0.003)
Operating Cost per capacity kilometre	$0.094	$0.094 $	-	$0.094 $	-
Boardings per service hour	203.9	204.6	0.7	206.8	(2.2)
Utilization (Passenger Kms./Capacity Kms.)	35.9%	36.1%	0.2%	36.4%	(0.3%)
Contract adherence monitoring	95.8%	96.4%	0.6%	98.5%	(2.1%)
Service Statistics					
Service Hours	97	97	-	98	(1)
Service Kilometres	3,382	3,382	-	3,416	(34)
Boarded Passengers	19,704	19,773	69	20,179	(406)

Appendix 3: Allocated Costs between Divisions

ALLOCATED COST BREAKDOWN As at June 30, 2014 ($ thousands)	YTD Actual 2013	YTD Actual 2014	YTD Year-over-Year Change	YTD Year-over-Year %	YTD Budget 2014	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual Forecast 2014	Annual Budget 2014	Annual Forecast Variance Fav/ (Unfav)	Annual Forecast Variance %
Shared services costs allocated [1]											
CMBC	9,432	11,789	2,357	25.0%	12,951	1,162	9.0%	24,539	26,011	1,472	6.0%
BCRTC	331	418	86	26.1%	401	(17)	(4.2%)	862	802	(60)	(7.0%)
WCE	31	23	(8)	(25.8%)	41	18	43.8%	49	83	0	68.5%
Canada Line	-	-	-	-	-	-		-	-	-	-
Police	638	749	111	17.4%	911	162	17.7%	1,555	1,692	138	8.9%
Roads & Bridges	-	969	969	0.0%	2,289	1,319	0.0%	3,017	4,436	1,419	0
TransLink	(10,434)	(13,950)	(3,519)	(33.7%)	(16,593)	(2,644)	(15.9%)	(30,022)	(33,024)	(3,003)	(10.0%)
Total	-	-	-	-	-	-	-	-	-	-	-
Costs administered by TransLink and allocated to subsidiaries [2]											
CMBC	9,386	8,834	(552)	(5.9%)	9,290	456	4.9%	15,236	18,579	3,343	21.9%
BCRTC	1,635	2,223	588	36.0%	2,718	495	18.2%	3,597	5,437	1,840	51.2%
WCE	6,488	7,190	702	10.8%	7,257	67	0.9%	14,616	14,748	133	0.9%
Canada Line	1,162	1,294	132	11.4%	1,404	110	7.8%	2,165	2,808	643	29.7%
Police	198	759	561	284.1%	923	165	17.8%	1,609	1,847	238	14.8%
Total	18,868	20,300	1,432	7.6%	21,592	1,293	6.0%	37,222	43,419	6,197	16.6%
Total Allocated costs to Subsidiaries from TransLink											
CMBC	18,819	20,623	1,805	9.6%	22,241	1,617	7.3%	39,775	44,591	4,815	12.1%
BCRTC	1,966	2,641	675	34.3%	3,119	478	15.3%	4,459	6,239	1,780	39.9%
WCE	6,519	7,213	694	10.6%	7,298	85	1.2%	14,665	14,831	166	1.1%
Canada Line	1,162	1,294	132	11.4%	1,404	110	7.8%	2,165	2,808	643	29.7%
Police	836	1,508	672	80.4%	1,835	326	17.8%	3,164	3,539	376	11.9%
Total	29,302	33,279	3,978	13.6%	35,897	2,617	7.3%	64,227	72,007	7,780	12.1%

[1] Includes Business Technology & Human Resources costs

[2] Includes property tax, building leases, insurance, fare media costs, and compass card operating costs

* Negatives represent allocations out, positives represent allocations in

Note: human resources costs are allocated based on headcounts, while Business Technology costs are allocated based on operating usage.